

**Health Professions Council  
Audit Committee 26 June 2007**

**INTERNAL AUDIT PROGRESS REPORT**

**Executive Summary and Recommendations**

**Introduction**

Mark Wonnacott of PKF has prepared the attached report which sets out progress on internal audit.

**Decision**

The Committee is asked to discuss the report.

**Background information**

At its meeting on 27 March, the Committee approved the Internal Audit Plan for 2007-8.

**Resource implications**

None.

**Financial implications**

None.

**Appendices**

Internal Audit Progress Report.

**Date of paper**

14 June 2007.

**Health Professions Council  
Internal Audit**

**Audit Committee Progress Report – 2007/08**

*26<sup>th</sup> June 2007*



Accountants &  
business advisers

## **Introduction**

This report presents a summary of the progress on the 2007/08 internal audit and the results arising from the reviews.

## **Overview of progress**

The audit overall is progressing in accordance with the timetable presented to the Committee in February 2007 and is operating to the agreed timetable agreed by the Audit Committee.

Total Days for 2007/08 Audit

47 days

Days Completed to 26<sup>th</sup> June

5 days

## **Implications for governance**

No significant control failures have been identified from the audits carried out to date.

**Summary of the results of the audit to 26<sup>th</sup> June 2007: -**

Review Outline	Progress/Conclusions	STATUS
<p><b>Business Continuity Planning and Disaster Recovery Planning : 3 days</b></p> <p>Assessment of non IT business continuity arrangements and disaster recovery arrangements with a focus on premises and staff availability issues and the ability to respond to major incidents. The review will examine :</p> <ul style="list-style-type: none"> <li>• Risk assessment process for business-critical elements at a corporate level;</li> <li>• Adequacy of response planning; and</li> <li>• Adequacy of testing.</li> </ul>	<p><b>Opinion – Satisfactory</b></p> <p>The HPC has established and documented a Disaster Recovery Plan which outlines clear lines of authority, prioritises work efforts and acts as a comprehensive statement of consistent actions to be taken before, during and after any disaster. Our review of the business continuity planning arrangements indicated that the disaster recovery plan has been documented and contains sufficient information for staff members to resume normal processing for all critical operations within a reasonable time frame.</p> <p>The disaster recovery arrangements cover all key areas and are updated and amended on a regular basis. We have concluded that the HPC have a plan that complies with best practice. However, having appropriate plans is not sufficient. They need to be communicated to all relevant people, be supported so that they can happen and tested to ensure that they work. Whilst our review has indicated that all of these are in place, testing has not been carried out to the proposed plan.</p> <p>We have not identified any fundamental concerns in any of the areas covered during this audit, although there remain some areas affected by minor risks whereby further steps should be taken to strengthen the controls in order to mitigate these risks.</p> <p>We have identified an area where controls could be further strengthened and have made recommendation in this regard notably in respect of:</p> <ul style="list-style-type: none"> <li>• The Departmental Disaster Recovery testing plan should be performed and reported to the delegated committees as scheduled.</li> </ul>	<p><b>FINAL</b></p>

Review Outline	Progress/Conclusions	STATUS
<p><b>External Communications : 6 days</b></p> <p>Assessment of the arrangements for managing the quality, timeliness and consistency of external communications, focusing on communications with registrants and with the public (under Article 3(13)). This will consider the risks involved, how the required communications are delivered and the effectiveness of the monitoring of performance in these areas.</p>	<p><b>Quarter Two review</b></p>	<p><b>Quarter 2</b></p>
<p><b>Fitness to Practise – Phase II : 3 days</b></p> <p>Follow up of audit recommendations from 2006/07 review and specific consideration of the management of the new FTP database, APU.</p>	<p><b>Quarter Two review</b></p>	<p><b>Quarter 2</b></p>

Review Outline	Progress/Conclusions	STATUS
<p><b>Financial Systems: 13 days</b></p> <p>Review and testing of the controls over the main financial systems and follow up of agreed actions from the 2006/07 review. This will cover payroll, budgetary control, ledger management, asset management, income, including forecasting, billing, recovery and recognition, purchasing and payments, travel and subsistence and cash management including cash flow management, banking and reporting.</p>	<p><b>Quarter Three Review</b></p>	<p><b>Quarter 3</b></p>
<p><b>New Building Project: 2 days</b></p> <p>The review will revisit the arrangements for managing the project and seek to confirm that the key project controls are continuing to operate.</p>	<p><b>Quarter Three Review</b></p>	<p><b>Quarter 3</b></p>

Review Outline	Progress/Conclusions	STATUS
<p><b>IT review – Laptop controls: 2 days</b>                      Assessment of arrangements for laptop encryption and anti-theft arrangements and software licensing.</p>	<p><b>Quarter Three Review</b></p>	<p><b>Quarter 3</b></p>
<p><b>Registrations: 5 days</b>                      Review and testing of the controls within the Registrations function. This will cover the risk management arrangements, performance management arrangements and operational controls relating to registrations.</p>	<p><b>Quarter Four Review</b></p>	<p><b>Quarter 4</b></p>
<p><b>Corporate Governance and Risk Management: 5 days</b>                      Annual assessment of the corporate governance arrangements for the Health Professions Council. This year's review will focus on the development and use of risk management and follow up of action on the issues identified in the year one review.</p>	<p><b>Quarter Four Review</b></p>	<p><b>Quarter 4</b></p>